

1 of 1 DOCUMENT

Copyright 2001 Daily News, L.P.
Daily News (New York)

September 22, 2001, Saturday SPORTS FINAL EDITION

SECTION: NEWS; Pg. 8

LENGTH: 507 words

HEADLINE: U.S. CHARITIES CHECKED IN probe of terrorism funds

BYLINE: By THOMAS ZAMBITO DAILY NEWS STAFF WRITER

BODY:

Federal investigators are probing whether several U.S.-based charities had a role in channeling funds to Osama Bin Laden's terror network.

The tax-exempt organizations have appeared on the radar of federal investigators before as possible sources of funding for Al Qaeda and other terrorist groups.

Among those mentioned are two charities - one in Texas, the other in Missouri - whose government funding was cut off in recent years amid allegations of ties to terror groups.

In August 2000, Undersecretary of State Thomas Pickering wrote to the U.S. Agency for International Development, demanding that funding for the Holy Land Foundation in Richardson, Tex., be stopped.

"The continuation of the relationship does not contribute to the national defense and foreign policy interests of the United States," Pickering wrote.

USAID had just agreed to release funds to the group, though none were sent.

A foundation spokesman denied the relief group had any links to Bin Laden.

Dalal Mohamed said her group has not been contacted by federal investigators, but she said she would be perfectly willing to cooperate. "We have to do whatever it takes to find out what's going on," Mohamed said.

The foundation sends money to Palestinian refugees throughout the world.

Pickering sent an identical letter to USAID in December 1999 regarding the Islamic American Relief Agency in Columbia, Mo.

The U.S. had agreed to pay the group \$4.2 million for its relief work in Asia, Africa and Europe. It had received \$1 million from USAID before its government funding was cut off.

A spokesman for the Islamic American Relief Agency did not return phone calls seeking comment yesterday.

This week, the watchdog group, Judicial Watch, demanded that the Internal Revenue Service investigate several of the U.S. charities, saying evidence was mounting that they had funneled money to Bin Laden and other terrorist groups.

IRS spokesman Kevin McKeon said the agency will look into the issue.

"The IRS reviews all information it receives and will take whatever action is appropriate," McKeon said.

Testimony from key Bin Laden operatives this year revealed that Al Qaeda has used Islamic charities abroad to pay for terrorist attacks in the past, including the attacks on US embassies in Tanzania and Kenya that killed 224.

Daily News (New York) September 22, 2001, Saturday

Among those named were the Mercy International Relief Organization in Kenya and the International Islamic Relief Organization in Tanzania.

Experts say charities in Saudi Arabia are also suspect.

"There is a lot of talk that these foundations are used to channel money from supporters to his operation," said Dominic Simpson, a former British Foreign Service agent in Egypt now based in London running Kroll Associates' Middle-East practice.

Treasury officials this week said they would follow the trail of Bin Laden's money wherever it leads.

"If the money trail leads up to other organizations that are legitimate or involved in legitimate activities so be it," Treasury Undersecretary Jimmy Gurule said.

LOAD-DATE: September 23, 2001

120SG5

***** Print Completed *****

Time of Request: April 20, 2005 11:56 AM EDT

Print Number: 1862:41358987

Number of Lines: 47

Number of Pages:

Send To: WTCELLIOTT, COZEN
COZEN & O'CONNOR
1900 MARKET ST
PHILADELPHIA, PA 19103-3527